

25X1

Approved For Release 2006/05/25 : CIA-RDP85T00875R001100160074-8

Approved For Release 2006/05/25 : CIA-RDP85T00875R001100160074-8

CIAPCT/IM 2450/73

S/CRS

Secret



25X1



Intelligence Memorandum

Indonesia's Role in Regional Affairs

Secret
81

2 October 1973
No. 2450/73

25X1

Approved For Release 2006/05/25 : CIA-RDP85T00875R001100160074-8

Approved For Release 2006/05/25 : CIA-RDP85T00875R001100160074-8

SECRET

25X1



2 October 1973

Indonesia's Role in Regional Affairs

Summary

In the late 1950s and early 1960s, Sukarno's Indonesia caused turmoil and instability in Southeast Asia; in the 1970s Suharto's Indonesia fosters regional cooperation and stability. Indonesian leaders past and present have always believed that Jakarta should have a major role in regional affairs, but they have disagreed about the manner in which this destiny should be realized. Sukarno couched his leadership drive in revolutionary rhetoric and believed Indonesia should dominate its neighbors; Suharto talks of pragmatic solutions to the problems of the region and sees Jakarta as the first among equals.

Suharto's concept of Indonesia's regional role is generally shared within his government, but his advisers differ among themselves as to how to achieve it. The largely civilian Foreign Office is intellectually committed to the credo of nonalignment, but the army officers who staff the security and defense apparatus believe Jakarta's role is to encourage strong anti-Communist regionalism. They are highly suspicious of the diplomats' desire to improve relations with Communist nations.

Jakarta's regional policy has some serious shortcomings. Indonesia may prove unable to sustain sufficient economic development and political consensus at home to underwrite an ambitious regional role. The developing interests of other states—both in the region and outside—may work to frustrate Indonesian programs. Moreover, Jakarta's blueprint may well prove inapplicable to the problems which South-east Asia will face in the 1970s.

Comments and queries on the contents of this publication are welcome. They may be directed to

25X1

25X1

1
SECRET

SECRET

25X1

A Destiny for Leadership

Although still preoccupied with overcoming Indonesia's history of economic and political instability, Jakarta's leaders are also driven by a desire to see the country take its "rightful" place among Southeast Asian nations. They are convinced that Indonesia's geopolitical importance, its social and political "maturity" as a nation, and the prominence of its statesmen in Third World forums entitle Jakarta to a larger say in regional affairs.

Indonesian leaders, both civilian and military, believe strongly in their own version of geopolitics. Jakarta takes great pride in comparative statistics—the world's largest archipelago, one of the most densely populated land areas of the world, the fifth largest population in the world, and the most populous Muslim state. They argue that Indonesia's vast mineral wealth, large population, and location on strategic international sea-lanes provide the essential ingredients for regional prominence. From colonial times, world geographers have extolled Indonesia's great natural wealth, so it is not surprising that this has become a source of pride and perhaps inflated self-importance to Jakarta. Indonesians recognize that their wealth makes them an object for exploitation by others, but they are confident of their own astuteness and believe they can parlay their resources into important diplomatic advantage. Indonesian leaders have not fully thought out what kind of leverage can be obtained or how it should be used. But they reason, for example, that Japanese dependence on Indonesian oil could be used to get Tokyo to support Jakarta's ideas about regional affairs in organizations such as ECAFE.

Jakarta's leaders believe Indonesia's position on the sea-lanes connecting the Pacific and Indian oceans gives them leverage vis-a-vis the maritime powers. These sea-lanes are Japan's petroleum lifeline to the Middle East and are essential to the great naval powers for quick passage to the Indian Ocean from the Pacific.

In Indonesian eyes, success in building a nation is as important as natural heritage. "National resilience" is the Indonesians' term for the political and social development of the past quarter-century. This concept is grounded in a national mythology based on Indonesia's revolution against the Dutch in 1945. From the time of Sukarno, Indonesia's fight for independence and its revolutionary accomplishments have been used as a rationale for its claim to leadership in the Third World. Indonesian leaders past and present are often disdainful of nations they believe untempered by revolutionary experience. From their point of view, Malaysia, Singapore, and the

-1-

SECRET

25X1

SECRET

25X1

Philippines were handed independence on a silver platter and have yet to cut the apron strings binding them to their former colonial rulers. Thailand, although never a colony, is condemned as too ready to accommodate the US. Although out of sympathy with Hanoi's Communist policies, Indonesians see North Vietnam as the only Southeast Asian nation that measures up to their standards of "revolutionary maturity."

The revolution has special significance for the present Indonesian military government because the army considers itself the lineal descendant of the guerrilla units that defeated the Dutch. While civilian leaders such as Sukarno were languishing in jail or isolated in Dutch-controlled urban areas, army leaders like Suharto were in the provinces living with the people and rallying them against the colonial forces. Army intellectuals argue, therefore, that Indonesia's current leaders are united with their people in a manner unknown to the governing elite in other Southeast Asian countries. The military strategists in Jakarta note with pride that the army successfully thwarted the 1965 Communist coup attempt and destroyed the Communist party apparatus. They contrast this achievement with the inability of Jakarta's neighbors to solve their own Communist insurgency problems.

In many respects, the view of the world held in Jakarta today differs little from that of the Sukarno era. Most of the present leaders were at or near the center of power during Sukarno's rule, and they share many of his basic foreign policy assumptions. The civilians were and are committed to Sukarno's concepts of nonalignment, although they disapproved of his flamboyant and often economically disastrous methods as well as his latter-day love affair with Peking. The military men remember with nostalgia the days when Jakarta made world headlines, but they disliked Sukarno's efforts to diminish the army's political power in favor of the Communists. They are paranoid about renewed Communist activity in Indonesia—not from ideological commitment but because the 1965 plotters had targeted the army leadership for elimination.

In international forums, Jakarta's present rulers still trade on Sukarno's past prominence in Third World affairs. Jakarta is not above reminding Malaysia and the others that they are latecomers to the nonaligned club, that they are at times dangerously naive, and that they ought to defer to Indonesian counsel. Suharto and his advisers, however, have been careful to avoid Sukarno's expansionist and revolutionary rhetoric. Sukarno's ideas about Jakarta's mission to lead all Malay peoples from Malagasy to Manila as part of a "greater Indonesia" never gained much acceptance in Indonesian circles beyond the palace elite. Sukarno's adventurist foreign policy gave Indonesia a bad reputation in regional capitals, and the new leadership wants to avoid reawakening old memories.

SECRET

25X1

SECRET

25X1

Jakarta's View of Regional Affairs

"National resilience" is at best a vague concept even for many Indonesians. This does not deter Indonesia's leaders from using the concept as a philosophical base for their view of what regional Southeast Asian policies should be. In a rather amorphous manner, they talk of the need to create "regional resilience." Few government leaders, however, have articulated Indonesia's specific regional aspirations in a coherent or organized manner. Although there is little precise doctrine, the government supports a wide variety of "think tanks" composed of otherwise underemployed academicians who are contributing to a theoretical framework by voluminous studies about regional resilience, great power containment, and Communist subversion. When all is said and done, most government leaders would probably subscribe to the following general views:

1. *US withdrawal from Asia would lead to unchecked Chinese and Soviet diplomatic competition in Southeast Asia and allow a resurgent Japan to gain in peacetime the economic hegemony it could not realize in war.*

According to Indonesian planners, Southeast Asia's relatively weak states can best meet this challenge by closing ranks and developing regional resilience. In particular, Indonesia's leaders argue that Southeast Asian governments must carefully control great-power access to the area's natural resources and populations. This principle lay behind last year's joint announcement by Indonesia and Malaysia that both countries henceforth consider the Malacca Strait inside their territorial waters, despite centuries of unquestioned international use. As public justification, Jakarta cited the problem of oil spills that might occur from unregulated use of the Strait by supertankers. Privately, Indonesia's leaders acknowledge concern about heading off military competition for the Strait by the navies of the US and the USSR and, eventually, China. Although recognizing that Indonesia is in no position militarily to prevent outsiders from using the Strait, Jakarta believes an all-out confrontation would be unlikely.

Jakarta's greatest concern regarding the big powers, however, is over the effect on local Overseas Chinese of the expected growth of Chinese influence in Southeast Asia. Indonesian leaders fear that other Southeast Asian governments will reach bilateral agreements with Peking that could adversely affect regional security. Jakarta wants assurance that local activities by Chinese diplomats will be so circumscribed that Peking cannot use Overseas Chinese as a fifth column. Perhaps more than any other state in the region, Indonesia—particularly its military leaders—has a deep seated paranoia about Chinese designs on the area.

25X1

25X1

-3-

SECRET

SECRET

25X1

Jakarta's fears about Soviet activities stem from a belief that Moscow will try under the guise of economic and technical aid to create spheres of influence. Indonesian leaders have been particularly concerned about Malaysian interest in Soviet economic and technical assistance, and they persistently cite Jakarta's own unsatisfactory experience with expensive and ill-conceived Soviet projects. Although they acknowledge the need for outside assistance to underdeveloped countries, Indonesia's leaders actively discourage massive aid projects that require large numbers of foreign personnel, warning that this opens the way to subversion and possible dependency.

Jakarta fears that Southeast Asia is in danger of becoming an economic colony of Japan. This fear makes Indonesians especially keen on working out favorable trade arrangements between the region and the European Communities. Indonesians also resent what they believe is Tokyo's unwillingness to aid local development projects that do not directly benefit Japanese commercial interests. In Jakarta's view, Southeast Asian states must be more hardnosed in their business dealings with Japan and must require Tokyo to participate on their terms in modernizing the indigenous economies.

2. Neutralization based on great-power guarantees is not a viable method for insulating Southeast Asia from great-power competition.

Indonesians see the idea of a "neutral" Southeast Asia guaranteed by the great powers as premature and regard the Malaysian proposal to this effect as naive. Indonesian military men argue that neutralization—in whatever form—will not be possible until regional states are internally secure and externally united against outside interference. Jakarta argues that local states also need time to reconcile differences such as the Philippine-Malaysian dispute over Sabah in order to eliminate the temptation of big powers to "divide and rule." Until such time as the region is "resilient" (among other things strong and united), Jakarta advocates continuation of US bases and mutual defense pacts—such as the Five Power Defense Arrangement—to counter the consequences of increased Sino-Soviet competition. The Indonesians believe that realization of de jure neutralization is not possible until the area is strong enough to assure de facto neutralization; when that point is reached, a formal declaration is no longer necessary.

3. A strong regional association is the best means for protecting Southeast Asian interests, and that Indonesia must be in a position to exercise considerable influence in any such grouping.

Indonesia sees the Association of Southeast Asian Nations (ASEAN)—a grouping of Malaysia, Singapore, Thailand, Philippines, and Indonesia founded in 1967 as an economic and social organization—as the main instrument for promoting regional resilience and Jakarta's regional policies. At the most recent ministerial meeting, ASEAN agreed to establish a permanent secretariat, and Jakarta immediately suggested Indonesia as the future

SECRET

25X1

SECRET

[REDACTED]

25X1

site. Jakarta, of course, is eager to have such a permanent ASEAN apparatus located in Indonesia as a symbol of Indonesian importance and influence in regional affairs. Thus far, no decision has been reached.

With active encouragement from Jakarta, ASEAN is gradually evolving as a forum for discussion of regional political and diplomatic affairs. Recent meetings have devoted a great deal of discussion to the problem of recognition of China, and concern expressed within ASEAN circles has helped slow the pace of Kuala Lumpur's accommodation with Peking.

Indonesia is currently advocating expansion of ASEAN membership to include Burma and the four Indochina states. Burma, although initially indifferent, is beginning to show interest, but the Indochinese states have more immediate problems and are deferring action. An expanded ASEAN appeals more to Jakarta's civilian leaders, however, than to its military men. The civilians argue that if North Vietnam can be persuaded to join ASEAN, it will come to identify its national interests with those of other Southeast Asian states and thus will be less swayed by the desires of Peking or Moscow. Although men like Foreign Minister Malik recognize the difficulty of securing North Vietnamese acceptance, they believe the idea worth keeping alive. The military, however, favor a non-Communist ASEAN with a well-developed security and intelligence orientation designed to minimize Chinese influence in Southeast Asia. They believe the civilians are naive if they think they can create an independent regional bloc that would include Communist states yet be sufficiently united to counter what the military consider to be China's designs on the area.

In addition to boosting ASEAN, Jakarta is strengthening its bilateral relations with individual ASEAN states.

[REDACTED]

25X1

[REDACTED] Jakarta has also invited ASEAN states to send military officers to attend the Indonesian War College to learn about national and regional resilience.

One important test of Jakarta's bid for a leadership among ASEAN states is its effort to mediate the Philippine-Malaysian dispute over Sabah. Prior to March 1973 the dispute had received low-key attention in ASEAN councils, but at that time President Marcos threatened to reopen his diplomatic and propaganda offensive against Kuala Lumpur. The action aroused concern in Jakarta about ASEAN unity—a concern heightened by the central position of ASEAN in Jakarta's foreign policy planning. A meeting of the principals organized by Indonesian Foreign Minister Adam Malik was inconclusive; Malik apparently was unable to dispel Manila's doubts about Jakarta's impartiality. A peaceful solution negotiated by Jakarta would add substantially to its image as a regional leader but apparently this is not in the cards in the near future.

SECRET

25X1

SECRET

25X1

4. Jakarta must develop its military capability as the "linchpin" of regional security and must promote the defense capacity of its neighbors.

Indonesian military planners believe regional resilience requires more than undertaking mutual consultations or presenting a united front to the great powers. They believe that local Communist insurgencies and internal subversion will continue and that Jakarta must be able to assist its neighbors in combating such problems.

In concrete terms, Jakarta wants to develop a small mobile strike force that has the transport and logistics capability to serve outside Indonesia. For example, such a self-contained unit could be sent to assist Malaysia if another round of serious communal rioting occurred or if Communist insurgents launched an offensive that was beyond Kuala Lumpur's capacity to contain. Indonesia's top military men believe Jakarta's Western friends can be persuaded to help create such a regional strike force because all have an important stake in a stable Southeast Asia. Indonesian leaders interpret the Nixon Doctrine as supporting their regional defense aspirations; moreover, they believe that Australia and New Zealand will also assist them because the archipelago is the first line of defense for Australasia.

Military men believe they have gained valuable experience in regional security problems through participation in the International Commission for Control and Supervision (ICCS) in Vietnam. Although many Indonesian Army generals initially believed they could work through the ICCS to bolster South Vietnam's non-Communist government, they now admit they can have little direct impact on the situation there. Nevertheless, they insist, Indonesia has learned more about dealing with Communist officials and their political tactics. Jakarta's eagerness to have Malaysia replace Canada on the ICCS stemmed in part from the belief that Kuala Lumpur's "naive" leadership would benefit from a similar exposure to the "realities of Communism." Indonesia believes its Vietnam experience increases its stature as a regional military and security consultant.

Indonesia also has a security treaty with Malaysia. This treaty, signed in 1972, is limited to border security, but Indonesian generals clearly see Malaysia as an outer defense perimeter. If Kuala Lumpur faced an external attack or if Indonesia believed Communist insurgents or internal disorder threatened the Malaysian Government's control, Jakarta would seriously consider sending troops, whether or not Malaysia formally requested them. Jakarta has no security treaty with Singapore, but Indonesia would not stand by and allow what it believed to be a hostile regime take over there. The Philippines, despite geographic proximity, apparently does not play a significant part in Indonesian defense planning, probably because Jakarta believes the US will protect Manila.

SECRET

25X1

SECRET

25X1

Indonesia has already taken some steps toward promoting its leadership in regional security. It has offered to train troops from other Southeast Asian states in paramilitary tactics and has provided paratroop training for some Malaysian Army units. ASEAN states have been invited to send officers to the Indonesian war college, and some have already accepted. Indonesian-Malaysian joint operations along the Sarawak border have helped contain the Communist insurgency in East Malaysia, but Jakarta believes Kuala Lumpur should follow its advice and eliminate those local Chinese communities which are potential support for dissidents. To improve its own military expertise and raise its stature among other Asian states, Jakarta has arranged for joint training exercises with the Australians. Indonesia would like to increase the variety of training it can offer to neighboring states and also to upgrade the level of joint operations, but it lacks the necessary equipment, particularly naval vessels and aircraft.

5. Indonesia should use its leadership in ASEAN and its membership in world bodies to help influence international issues that have implications for Southeast Asia.

The Suharto government displays the same sense of mission in the international arena that it does in its regional diplomacy. The leaders realize, however, that Sukarno's style left an image of irresponsibility, and they are working hard to portray Indonesia as a stabilizing influence in Third World circles.

Indonesia took great pride in the election of Foreign Minister Adam Malik as UN General Assembly president in 1971--only five years after Jakarta rejoined the world body. The recent selection of an Indonesian career diplomat as secretary general of the Economic Commission for Asia and the Far East (ECAFE) is seen as another opportunity to expand Indonesia's influence. Jakarta hopes to change what it believes is a bias in ECAFE decisions that favors the opinions of developed nations.

The Constraints of Reality

A variety of economic and political constraints over time will work to limit Indonesia's ability to influence regional policies. It is quite possible, first of all, that Jakarta will be embarrassed, and its ambitions rendered hollow, by a failure at home to sustain the kind of economic development and political cohesion that would put leverage and credibility behind its regional proposals.

SECRET

25X1

SECRET

25X1

The Suharto government inherited serious economic and social problems from Sukarno, and many have not been solved. The broad political consensus that united the anti-Sukarnoists in 1966-67 has eroded somewhat as various elements, both military and civilian, have discovered that the new regime is actually constraining their interests. As yet there is no sign of serious splits, but the initial enthusiasm has evaporated. The mandate conferred by the 1971 elections on Suharto to move ahead with his domestic policies is more image than reality—the campaign was organized to obscure issues, political opposition was kept at token level; and election ground rules were slanted in the government's favor. Opposition political elements have subsequently been isolated from decision-making and left to vent their frustrations through disorganized attempts to discredit the regime.

As long as the ruling military elite remains united about goals and policies, they can probably afford to ignore the critics. There are growing signs, however, that the army is becoming divided about the proper uses of its power—even as its organizational structure is becoming more unified and centralized. Suharto's ability to formulate policy—both foreign and domestic—is perforce constricted by the need to balance off competing factions within the army and between the army and civilians. Suharto's own position as President is secure, since he is the only person acceptable to all power groups. He in turn tries to neutralize these groups by complicated checks and balances and by reliance on a small circle of personally loyal palace assistants. Suharto's style of government, which requires a consensus among the ruling group before action is taken, frequently gives individuals and small factions undue influence. In the Indonesian milieu, public dissension among ruling groups is viewed as an important indicator that the leader is in danger of losing his mandate to rule. As a result, Suharto clearly prefers to defer decisions rather than risk a divisive discussion.

It is as yet far from clear whether the loss of political dynamism will seriously undercut Indonesian economic development. If it does, it will take the edge off Indonesia's regional pretensions and perhaps even divert much of the regime's attention from regional concerns. Any serious challenge to the Suharto government would probably be precipitated by economic policy shortcomings—inability to modernize the economy, to contain corruption to acceptable limits, or to improve the bureaucracy's performance.

25X6

Massive foreign investment has been confined largely to extractive industries located in scattered enclaves cut off from local society. As a result,

25X1

SECRET

25X1

although this sector has been greatly modernized, the indigenous, largely agricultural economy has progressed very little. The extractive industries produce great quantities of foreign exchange but much of these earnings are already mortgaged to pay the debts of the Sukarno era. Large personal profits go into the pockets of the generals who act as benefactors for local Chinese and Western businessmen. Some observers have reported recently that the gap between rich and poor, between Jakarta and the provinces, is as bad as—and possibly even worse than—in the Sukarno years.

Economic imbalances will worsen if Suharto is forced to acquiesce in the desires of some important military men for increased expenditures to modernize the armed forces. Nevertheless, Suharto can probably weather economic difficulties as long as the ruling elite remains united behind him. The only case where he could not would be a massive rice shortage. The harvest this year was poor, but the government should be able to cope with the situation by timely imports and by judicious appeals for belt-tightening.

Suharto's domestic shortcomings are not serious enough to threaten his regime, but they may limit his freedom to develop and implement new foreign policy lines. Moreover, the prognosis for the economy in the next few years suggests that Indonesia will be hard pressed to present its own experience as a model for the other nations in the region.

Reactions From Other Southeast Asian States

Jakarta may well have trouble selling its ideas about the future configuration of Southeast Asia to other regional states and to outside powers. Indonesia's ASEAN colleagues do not necessarily accept all of Jakarta's ideas about how to solve regional problems or even agree with Jakarta's assessment about what the problems are. In particular, Southeast Asian leaders differ about the nature and extent of the Chinese "threat." Most agree that the area should develop an independent voice outside the competing great power blocs, but they seem confused by Indonesia's concepts of regional and national resilience. They see Indonesia's revolutionary experience as a unique case which has little relation to their own problems. Moreover, despite Suharto's careful planning, there are lingering suspicions that Jakarta's regional model may in fact be a design for Indonesian hegemony.

To some degree, Jakarta's present ability to lead and influence regional councils results from the failure of other states to develop specific positions on a variety of regional issues. These states have not begun to attach as much importance to regional action as Jakarta does; they still see their foreign affairs primarily in bilateral terms. Because Jakarta's leaders think more about regional affairs than do most of their neighbors, they exude a self-confidence and purposefulness that often have carried the day in regional

SECRET

25X1

SECRET

25X1

councils. The same opportunities that make it necessary and possible for regional groupings like ASEAN to show increased vitality—the end of the war in Indochina, the gradual withdrawal of the US military presence, and the Sino-US rapprochement—will also stimulate other countries, particularly Thailand, to pay closer attention to regional affairs and to voice their views more vigorously.

Among the ASEAN states, Malaysia alone will probably continue to support most of Indonesia's regional positions, but Kuala Lumpur occasionally chafes at what it sees as Jakarta's patronizing attitude. Malaysian leaders are also uncomfortable with the blatant anti-Communist bias of Suharto's military advisers.

Singapore's leaders often belittle Jakarta's pretensions to regional leadership, partly because of an ethnic Chinese bias against non-Chinese and partly because of a negative assessment of Jakarta's potential for following through on the regional development it proposes. Despite their own ambitions, Singapore's leaders apparently realize that a Chinese city-state has little chance to lead an overwhelmingly non-Chinese regional association. But Singapore will want at least an equal voice for itself and will work behind the scenes to prevent any state from dominating ASEAN.

The Philippines are probably the least committed of the ASEAN members to the concept of a regional approach to important foreign policy issues. In addition to the presence of US bases on its soil, Manila is economically and culturally tied to the US; Philippine foreign policy is still formulated largely in terms of the Manila-Washington relationship. Manila's activities within ASEAN have thus far been designed largely to enhance national, or presidential, prestige.

Thailand is an alternate claimant for regional leadership. It is already the headquarters for existing regional organizations such as SEATO and ECAFE, and it is a large, stable state with significant economic resources. Although closely tied to the US, Bangkok is showing signs of a more independent foreign policy. Thai leaders also are beginning to take ASEAN more seriously and to assume a more active role in it. Thai leaders share many of the same ideas on regional affairs as Jakarta, but they are quite willing to voice differences they might have with Indonesia.

On the other hand, the Australian Government under Prime Minister Whitlam believes a strong Canberra-Jakarta axis is the key to regional stability and development. Despite basic ideological differences with Indonesia's military leaders, Whitlam has promised continued military and economic assistance to help Jakarta achieve its goal. Although pleased with

25X1

SECRET

25X1

Canberra's behind-the-scenes support, Jakarta is not enthusiastic about Whitlam's ideas for a large Asian association that would also include Australia, China, and Japan, believing it would only complicate life for the Southeast Asian states.

Great-power interests are probably incompatible with many of Jakarta's ambitions, despite the fact that most world leaders give lip service to the concept of independent regional groupings. The maritime powers—regardless of ideology—strongly oppose Jakarta's plan for regional control of the Malacca Strait. China will be on guard against any possibility that ASEAN will develop into an anti-Peking association. The Soviet Union, though less implicated than China in the 1965 coup, has not yet succeeded in establishing a good working relationship with the Suharto regime. Moscow would doubtless applaud the growth of an anti-Chinese bloc in Southeast Asia, but not if it adversely affected Moscow's own bilateral interests in the area.

Conclusion

The Possible Dream: ASEAN

Jakarta's model of regional resilience is unrealistically ambitious. Indonesia has only a limited ability to assist its neighbors in combating insurgency or achieving political stability and economic growth. Jakarta's ideas about the need for "oneness" between the army and the people are based on the relative homogeneity of Indonesian society and are irrelevant to the problems of insurgency in Malaysia, Burma, and the southern Philippines, where the dissidents are ethnically and culturally distinct from the ruling elite. The chronic turmoil of Philippine political life is another potential threat to Jakarta's model for regional stability; yet Indonesia has no way of changing it. In any event, the ideal is probably unattainable—even in Indonesia, where it exists largely in the classrooms of the military academies.

Indonesia's diplomatic ambitions have been an important catalyst in helping to create a sense of regional identity and in causing Southeast Asian states to take a broader view on solutions to many of their problems. But praise from news media and foreign diplomats about the Suharto regime's "remarkable recovery from the chaos of Sukarno" and Jakarta's "new, responsible international leadership" have given Indonesian leaders an unreal conception of their ability to organize and influence Southeast Asian affairs. In a scaled-down version, Jakarta's concept of an independent self-reliant bloc of Southeast Asian states could contribute greatly to future stability in the area and reduce the temptations for great-power interference.

25X1

SECRET

25X1

ASEAN got off to a slow start in 1967, but it has gradually assumed a larger role in the foreign policy planning of the member states. Regionalism itself has become more important as local leaders come to view their problems in the context of Southeast Asia rather than in the vaguer context of former colonial or Third World countries. ASEAN has begun establishing a permanent apparatus to deal with the common interests, such as promotion of tourism. The number of formal ASEAN meetings has increased, and the various leaders often meet informally while attending other forums such as the United Nations. ASEAN also provides a point for contacts with outside powers and with other regional groups like the European Communities. All of these developments make the association an important core for stability and unity in a region which has badly needed a sense of continuity and identity of interests. While ASEAN will probably never develop into a well-integrated or cohesive unit speaking with one voice and exerting systematic pressure on specific issues, it can still fill an important role in articulating shared local interests vis-a-vis outside power groups. ASEAN countries have many economic problems in common, and there is potential for greater cooperation among them in such areas as improved technology and collective marketing. In the longer run, ASEAN's most valuable function will probably be its contribution to the growing sense of regional identity and self-confidence among Southeast Asian states.

Within the context of what ASEAN can do, Indonesia unquestionably can play an important part. The Suharto regime is respected by other ASEAN members, although they resent Jakarta's sometimes overweening pressure. Indonesia has already demonstrated that it is in a good position to help mediate conflicts among member states, and its priority interest in regional stability is an encouraging sign for the future of regional affairs. In more concrete terms, Jakarta does have experience in particular fields—such as guerrilla warfare and domestic intelligence—that would be helpful to other states in the area.

It is unlikely that any one member will come to dominate ASEAN or successfully mold it to its own national interests. If the history of past meetings is any guide, leadership will vary depending on the issues, the personalities present and the degree of national interest involved.

- 12 -

SECRET

25X1